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COUNTRY

China

CONFIDENTIAL

DATE DISTR. 22 March 1948

SUBJECT

Economic Information: Soviet and Chinese Communist Activities, Kuantung Peninsula

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SUPPLEMENT TO REPORT NO.

- 1. All export-import business in Dairen is carried on through (?Chinese) Communistsponsored trading companies which are under the direction of the Soviet Far Fest Trading Company (TGostorg, ?Vneshtorg)(其 遠東石 6))。 No private export-import businesses are carried on except through the Communist-sponsored trading companies. A Shanghai-Liaotung Trading Company handles all trade between Dairen and Shanghai. Another trading company (?the Tong Ik Trading Company handles all trade, which is considerable, between Dairen and North and South Korea. A third trading company is in charge of trade between Dairen and Shantung Province.
- 2. The Soviet Far East Trading Company controls the shipment of arms and emmunition to Shantung Province through a special company (undetermined). Arms and smmunition are sent to Shantung in exchange for foodstuffs. One round of ammunition is worth two cattles of wheat. Trucks belonging to the Soviet Far East Trading Company are of American make. The Soviet Far East Trading Company also independently controls a large number of ships and commodities. All ships and boats are required to clear with the Soviet Far East Trading Company before entering and leaving Dairen Harbor.
- 3. Approximately ten ships a day enter Dairen Harbor from Shanghai. Most of these ships are sailing vessels between 500 and 1,000 tons in size. Occasionally steamers from Shanghai enter Dairen Harbor. Shanghai merchants ship cotton goods and American-made flour to Dairen in exchange for metals; cotton sells for 850 (?) yuan (Chinese Generalist currency) per catty in Dairen and (? Americanmade) flour for 20,000 (?) yuan per bag (size not indicated). All this trade with the Shanghai area is handled through the Shanghai-Liaotung Trading Company.
- The Churin (Tschurin) Company in Dairen deals in all kinds of goods, including metals, cotton materials, chemicals, oil, foodstuffs, powder and salt. It operates the largest dance hall in Dairen. Most of the dance hall girls are Koreans and Japanese. Official offices of the Tschurin Company are in the Sino-Soviet Friendship Association Building in the Tuhaochieh (友好街) District of Dairen. 25X1X

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5. There is a shortage of provisions and fuel in the Dairen area. Corn meal and

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kaoliang are being imported from the Antung (124-23, 40-09) area and from North Korea; rice, by boat from South Korea; and firewood, from North Korea and from the Antung area.

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6. Foodstuffs imported into Dairen from North and South Korea consist mainly of rice, millet, wheat and vegetables. Also imported are oil, coal, carbide and caustic soda. Glass, clothing materials and other articles are exported to North Korea and to South Korea.
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7. On 28 November 1947 two 6,000 ton Soviet transports left Dairen for Chinnampo (125-24, 38-44). These transports carried a cargo of red peppers. Ultimate destination of the cargo was Hwangju (125-46, 38-40).

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